Core Valuation

FlexFinance Core Valuation consists of various calculation kernels. Each kernel deals with the calculation of a specific figure/ratio.

On a high-granular level, a distinction can be made between two types of measurements:

- **Measure based on cash flows, such as**
  - FV based on the Discount Cash Flow Method *(please read more in the manual: Fair Value)*
  - FV with constant credit spread based the Discount Cash Flow Method *(please read more in the manual: Fair Value)*
  - Amortised cost *(please read more in the manual: Amortised Cost)*, including remaining open amortisation and amortisation portion for a specific period
  - Effective Interest Rate *(please read more in the manual: EIR)*
  - Initial Residual Spread (InRS)
  - Risk Provisions based on Recovery Cash flows
    - Recoverable Amount *(please read more in the manual: Specific Provision)*
    - Exposure at Default
    - Unwinding *(please read more in the manual: Unwinding)*
  - Interest accrual

- **Statistical measures for which statistical methods are used for calculation, for example**
  - Probability of Default based on historical performance data for customers
  - Loss given default based on historical performance data for customers
  - *Option price models*

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